

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines
ISSUED BY THE STATE BOARD OF ACCOUNTS**

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June 1997

ITEMS TO REMEMBER

JUNE

- June 1: Prove the Fund Ledger and Ledger of Receipts for the month of May to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.
- Last day to certify to the county treasurer a list of names and addresses of each person who has money due from the school corporation. (IC 6-1.1-22-14)
- June 20: Payment for school aid bonds and coupons coming due in July must be made to civil townships by reorganized school corporations where the reorganized plan provides for such payments or where the board of school trustees has provided for such payments by resolution. (IC 20-4-1-35; IC 20-4-1-38)
- Last day to report and make payment of state and county income tax withheld during May to the State Department of Revenue, Indiana Government Center North, Indianapolis. Please review Volume 100, December 1987, of "The School Administrator".
- June 30: Close out all payroll deduction clearing accounts. Balance and close the Fund Ledger and Ledger of Receipts for the school year and reconcile with depositories. Total the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances (January 1 to June 30). Close this ledger for the school year and prove to the Fund Ledger.
- School Board Members taking office in July, file certified copy of oath in the Clerk's Office. (IC 5-4-1-4)

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ITEMS TO REMEMBER

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JULY

- July 1: Open a Fund Ledger and Ledger of Receipts for the next school year by entering the balance of each fund as determined and proved for June 30. Open a Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances for the next school year by entering in each program account the balance of unexpended appropriations, and by entering in each expenditure account within each program, the balance of the unexpended allotment.
- July 4: Independence Day - Legal Holiday. (IC 1-1-9-1)
- July 20: Last day to report and make payment of state and county income tax withheld during June to the State Department of Revenue, Indiana Government Center North, Indianapolis. Please review Volume 100, December 1987, of "The School Administrator".
- July 31: Last day to file Federal Quarterly Report, Form 941, with the Internal Revenue Service for federal and social security taxes for the second quarter.

AUGUST

- Aug. 1: Prove all ledgers for the month ending July 31 as outlined for the month of June.
- Aug. 15: Not earlier than August 1 or later than August 15 the secretary of the board of school trustees is to publish an annual financial report, combined with a performance report, one time in accordance with IC 5-3-1-1 et seq.
- Aug. 20: Last day to report and make payment of state and county income tax withheld during July to the State Department of Revenue, Indiana Government Center North, Indianapolis. Please review Volume 100, December 1987, of "The School Administrator."
- Aug. 31: Last date for the first publication of budgets (10 days prior to the public hearing). (IC 6-1.1-17-3)

NOTE : See the September "The School Administrator and Uniform Compliance Guidelines" for new "last" budget dates or call the State Board of Tax Commissioners at 317-232-3773.

Prior to September 1 of each year, the superintendent of each school corporation shall cause to be made by the Office of the State Fire Marshall an inspection of all heating systems and supporting fuel lines used for school purposes. (IC 20-5-43-2)

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PUBLICATION OF THE ANNUAL REPORT

IC 5-3-1-3 provides for the required makeup of the annual financial report.

IC 5-3-1-3(e) states "The department of education shall do the following:

- (1) Develop guidelines for the preparation and form of the financial report.
- (2) Provide information to assist school corporations in the preparation of the financial report."

IC 5-3-1-3(f) states "The annual reports required by this section and IC 36-2-2-19 and the abstract required by IC 36-6-4-13 shall each be published one (1) time only, in accordance with this chapter."

House Enrolled Act 1370, Section 7, Acts of 1997, Regular Session, provides for school performance report requirements and states: "(a) Not earlier than August 1, 1997, or later than August 15, 1997, the secretary of each school corporation in Indiana shall publish a performance report. The report must be combined with the annual financial report published under IC 5-3-1-3. In the performance report the school corporation shall include the following information:

- (1) On a school by school basis:
 - (A) a summary of the results of the Indiana statewide testing for educational progress (ISTEP) program under IC 20-10.1-16, subject to IC 20-10.1-16-7, including the percentage of students at each particular grade level who did not meet the state achievement standards adopted for the ISTEP program;
 - (B) student attendance rates;
 - (C) graduation rates;
 - (D) class size information; and
 - (E) summary of the Scholastic Aptitude Test (S.A.T.) results.
- (2) Total at-risk funding and expenditures.
- (3) Vocational education funding and expenditures.
- (4) Special education funding and expenditures.
- (5) Percentage of graduates pursuing higher education.
- (6) The school corporation's expenditure per pupil from the general fund and the transportation fund.

(b) The school corporation may provide an interpretation or explanation of the information included under subsection (a).

(c) This Section expires January 1, 1998."

IC 5-3-1-4 applies to notices published by school corporation officers and states in part © "If there is only one (1) newspaper published in the ... school corporation, then publication in that newspaper alone is sufficient. If no newspaper is published in the ... school corporation, then publication shall be made in a newspaper published in the county in which the ... school corporation is located and that circulates within the ... school corporation. The notice shall be posted:

- (1) at or near the ... school administration building; and
- (2) at the post office in the municipality or school corporation (or at the bank if there is no post office)."

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IC 5-3-1-4(e) applies to a school corporation and states in part: "Notwithstanding any other law, if a political subdivision has territory in more than one (1) county, public notices that are required by law or ordered to be published must be given as follows:

- (1) By publication in two (2) newspapers published within the boundaries of the political subdivision.
 - (2) If only one (1) newspaper is published within the boundaries of the political subdivision, by publication in that newspaper and in some other newspaper:
 - (A) published in any county in which the political subdivision extends; and
 - (B) that has a general circulation in the political subdivision.
 - (3) If no newspaper is published within the boundaries of the political subdivision, by publication in two (2) newspapers that:
 - (A) are published in any counties into which the political subdivision extends; and
 - (B) have a general circulation in the political subdivision.
 - (4) If only one (1) newspaper is published in any of the counties into which the political subdivision extends, by publication in that newspaper if it circulates within the political subdivision.
- (f) A political subdivision may, in its discretion, publish public notices in a qualified publication or additional newspapers to provide supplementary notification to the public. The cost of publishing supplementary notification is a proper expenditure of the political subdivision."

ORGANIZATION MEETING - GOVERNING BODY

IC 20-5-3-1 provides that the governing body of each school corporation shall organize by electing a president, a vice president, and a secretary, each of whom shall be a different member, within the first fifteen (15) days following the commencement date of the members terms of office. At the same time, the governing body shall also appoint a treasurer of the governing body and of the school corporation who is a person other than the superintendent of schools and who is not a member of the governing body.

The treasurer may, with the approval of the governing body, appoint a deputy treasurer who shall also be a person other than the superintendent of schools and who is not a member of the governing body. The deputy treasurer shall have the same powers and duties as the treasurer, or such lesser duties as the governing body by resolution shall provide. For the official bond requirements of these positions, see Vol. 131, Page 4.

TRANSFER TUITION

Please be advised page 2-6 of the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations contains Detailed Instructions for completing School Form No. 515 as revised in 1996. School Form No. 515 is the Transfer Tuition Statement. The information is provided to assist in preparation of the statements and to aid in being consistent in their use.

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EDUCATIONAL LICENSE FEES

Public Law 92, Acts of 1996, provides for education license plates fees. The bureau shall require a person who purchases an education license plate under this chapter to designate the Indiana school corporation the person wants to receive the fee that the person pays under subsection (a)(2). IC 9-18-31-5

IC 9-18-31-7 states in part: (a) "If an educational foundation that is exempt from federal income taxation under Internal Revenue Code Section 501(c)(3) is established as an Indiana nonprofit corporation for the benefit of a school corporation designated to receive a fee under section 5© of this chapter, fees designated to go to the school corporation shall be distributed to an educational foundation that provides benefit to the designated school corporation. A school corporation that receives benefit from an educational foundation that meets the requirements of this section shall:

(1) obtain a certificate from the educational foundation that certifies to the school corporation and the county auditor that the educational foundation:

(A) is exempt from federal income taxation under Internal Revenue Code Section 501(c)(3);

(B) is established as an Indiana nonprofit corporation to provide benefit to the school corporation; and

(2) provide a copy of the certificate described in subdivision (1) to the county auditor."

(b) "If a school corporation designated to receive a fee under section 5(c) of this chapter does not receive benefit from an educational foundation described under subsection (a), the fees designated to go to the school corporation shall be distributed to the school corporation and **may only be used for purposes other than general fund purposes.**" (Our Emphasis)

(c) "Before the twentieth day of the calendar month following the calendar month in which a fee was collected, the bureau shall distribute the fees collected under this chapter to the county auditor of the county in which the designated school corporation's administration office is located."

(d) "Within thirty (30) days of receipt of a distribution from the bureau under subsection (c), the county auditor shall distribute the fees received to:

(1) an educational foundation under subsection (a), if the school corporation has provided a copy of the certificate described in subsection (a); or

(2) the school corporation under subsection (b); whichever subsection is applicable. The county auditor shall designate which school corporation is to receive benefit in connection with a distribution to an educational foundation under this subsection. If the school corporation receives benefit from more than one (1) educational foundation, the superintendent of the benefited school corporation shall determine, and inform the auditor in writing, how fees received are to be distributed to the educational foundations. The county auditor shall, simultaneous with a distribution to an educational foundation, send the school corporation to receive benefit a notice of the distribution that identifies the recipient educational foundation and the date and the amount of the distribution."

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EDUCATIONAL LICENSE FEES

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(e) "Funds received by an educational foundation under this chapter must be used to provide benefit to the designated school corporation within one (1) year of receipt from the county auditor."

Fund 185, Education License Plates, has been established along with Receipt Account 2121, Educational License Plate Fees.

COMPENSATORY TIME - FAIR LABOR STANDARDS ACT

The following article was contributed by the Indianapolis Office of the Wage and Hour Division of the United States Department of Labor.

Use of Compensatory Time Off Under the Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) is a federal law that sets standards for minimum wage, overtime, and child labor. Under Sec. 7(o), public sector employers may provide compensatory time off in lieu of monetary overtime compensation. The compensatory time off must be at the rate of not less than 1 and ½ hours for each overtime hour worked.

As a condition for use of compensatory time off in lieu of overtime payment in cash, an agreement of understanding must be reached prior to performance of the work. Such an agreement may involve a collective bargaining agreement, a memorandum of understanding, or any other type of agreement between the public agency and the employees' representative. (If the employees do not have a representative, then the agreement must be between the public agency and the individual employee.) The agreement may contain provisions that address the preservation, use, or cashing out of compensatory time, as long as they are consistent with Sec. 7(o).

As an example, if an agreement specifically provides that an employee must use accrued compensatory time prior to the use of vacation leave, then this policy would be within the FLSA, assuming that employees have knowingly and voluntarily agreed to such a provision freely and without coercion or pressure. On the other hand, if the compensatory agreement did not specifically address that issue, then the employer could not require an employee to take their accrued compensatory time prior to vacation leave.

Here's a different type of example: An agreement states that requests for compensatory time off have to be submitted with adequate advance notice and that management will approve them based on scheduling needs, allowing only one employee off per shift. Sec. 7(o)(5) of FLSA says that requests for use of compensatory time off will be permitted within a "reasonable period", if such use does not "unduly disrupt" the operations of the agency. In this example, the agreement would be inconsistent with the FLSA since it would allow for the denial of a request for reasons other than unduly disrupting the operations of the agency.

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COMPENSATORY TIME - FAIR LABOR STANDARDS ACT

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Remember, there are ceilings on how much FLSA compensatory time off an employee may accumulate:

480 hours of compensatory time off (representing 320 overtime hours work) for employees engaged in public safety, emergency response, or seasonal activity

240 hours of compensatory time off (representing 160 overtime hours worked) for all other employees.

When employees reach these ceilings, any additional overtime that is worked must be paid. FLSA compensatory time off stays on the books until the employee uses the time or until it is paid out. Employees cannot "use or lose" compensatory time off.

For answers to other questions on the Fair Labor Standards Act or the Family and Medical Leave Act, contact your nearest U.S. Dept. of Labor, Wage & Hour office: Indianapolis: 317/226-6801; South Bend: 219/236-8331.

ACCOUNTS PAYABLE VOUCHER REGISTER, FORM 364, (1997)

Please be advised Accounts Payable Voucher Register Form 364 has been revised with a letter to all printing suppliers, effective immediately. The Form now allows the option for the fiscal officer (school treasurer) to sign the Register instead of each Accounts Payable Voucher, Form 523. The language added will be as follows:

I hereby certify that each of the above listed vouchers and the invoices, or bills attached thereto, are true and correct and I have audited same in accordance with IC 5-11-10-1.6.

_____, 19____ Fiscal Officer

OBSOLETE VOLUME

All articles of Volume 98 of "The School Administrator" have now been updated and reprinted in later volumes or are no longer applicable; thus, Volume 98, which was distributed in June of 1987, may now be deleted.